Charting the Course to Acquisition Excellence

Department of the Navy's Acquisition Reform Management Action Plan

Acquisition Excellence

CHARTING THE COURSE

MANAGEMENT ACTION PLAN

Building on successful actions to streamline and innovate acquisition during the past several years, the Management Action Plan sets a focused, integrated agenda for the future.
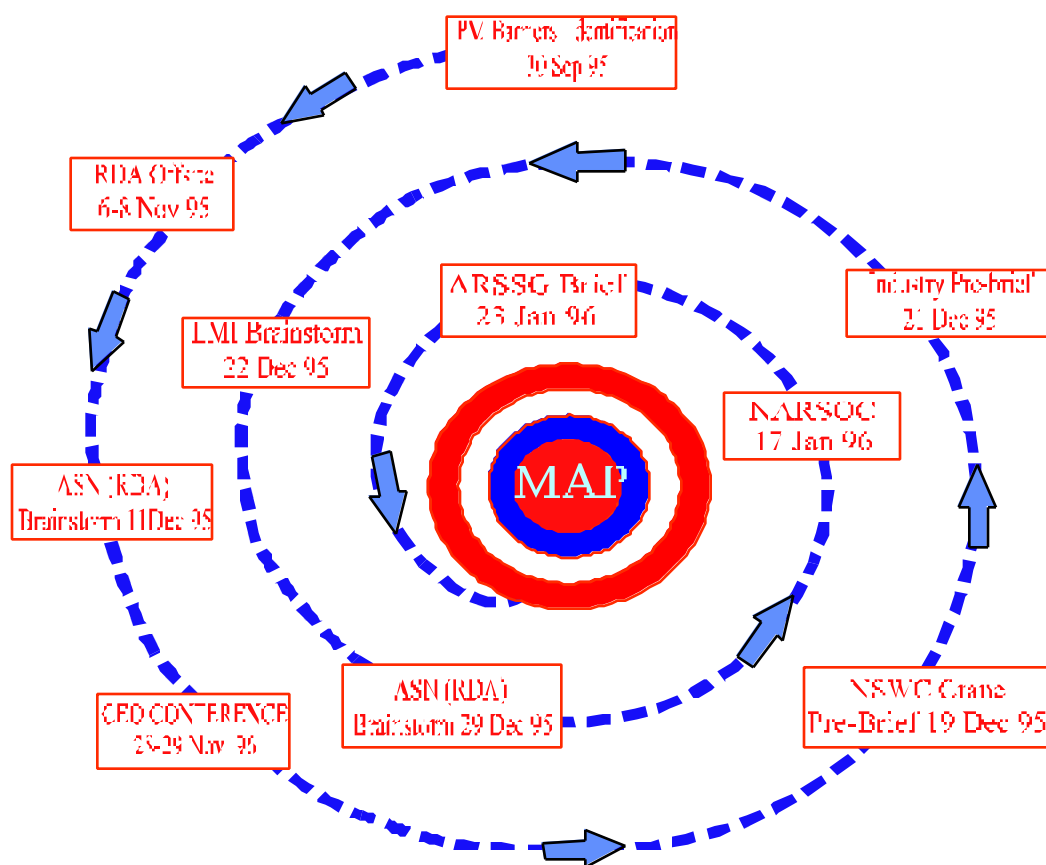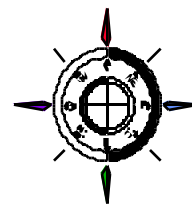
ADVANCED TECHNOLOGY INSERTION

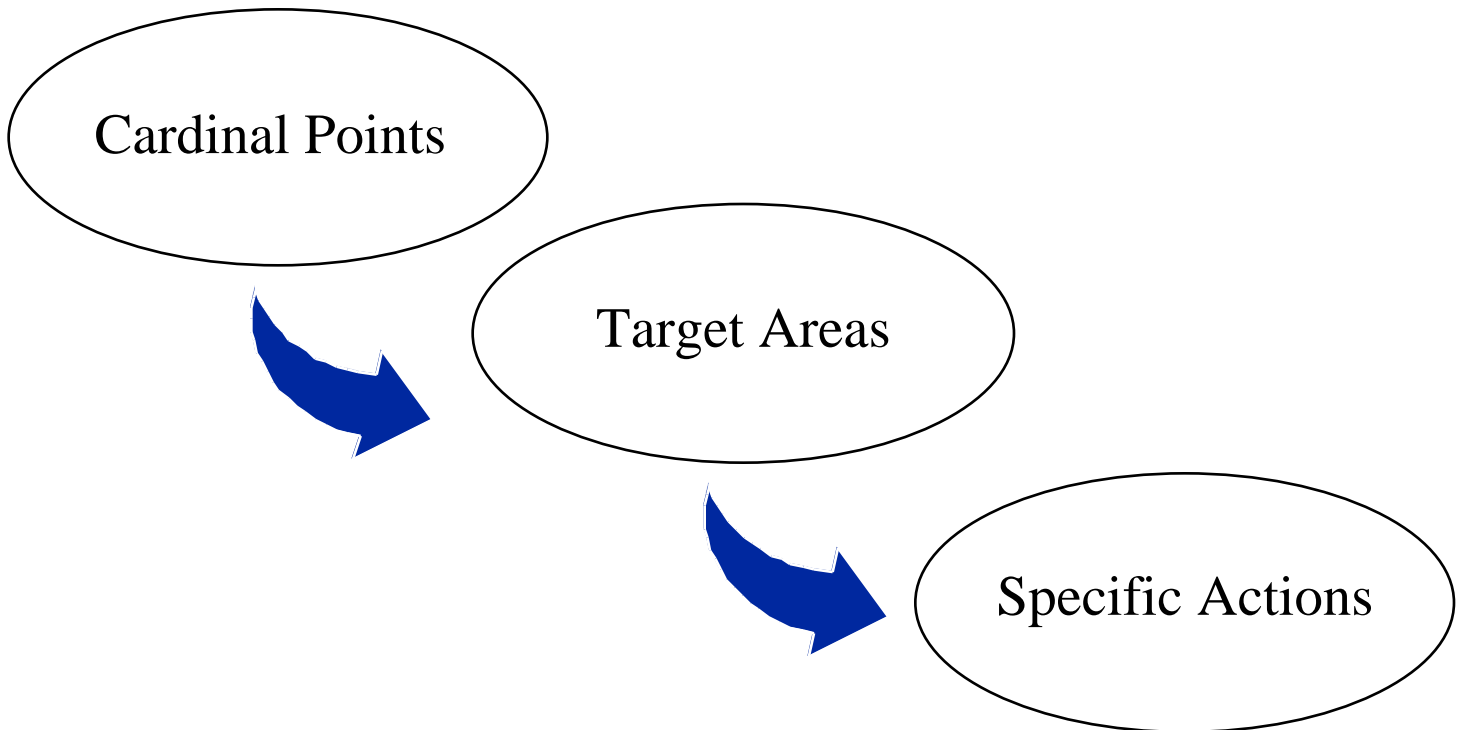**B**EST COMMERCIAL PRACTICES

COST REDUCTION

Continuing Initiatives

- RDA Strategic Plan
- Specs and Standards Reform
- Single Plant Process Initiative
- RFP Benchmarking
- Electronic Commerce
- Open Communication
- Acquisition Policy Rewrites
- Industry Outreach
- CEO Conference Actions
- OSD/Service Projects

MAP Development Process

PV Barriers Identification
30 Sep 95

RDA Offsite
6-8 Nov 95

ARSSG Brief
23 Jan 96

LMI Brainstorm
22 Dec 95

Industry Pre-brief
21 Dec 95

NARSOC
17 Jan 96

MAP

ASN (RDA)
Brainstorm 11Dec 95

CED CONFERENCE
28-29 Nov 95

ASN (RDA)
Brainstorm 29 Dec 95

NSWC Crane
Pre-Brief 19 Dec 95

4- 1/31/96

Acquisition Reform MAP Presentation Structure

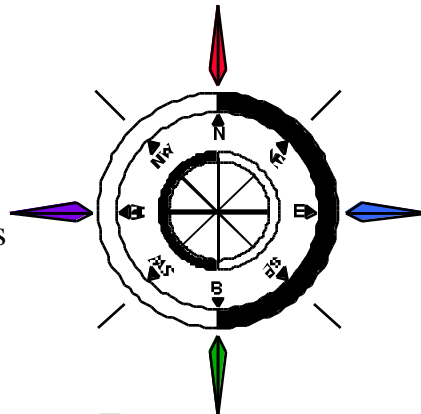Cardinal Points

Target Areas

Specific Actions

MAP CARDINAL POINT TARGET AREAS

Leadership

- Decentralize decision authority
- Improve program stability
- Create an Acquisition Center of Excellence
- Measure improvements

People

- Create incentives for AR
- Enable sound business decisions
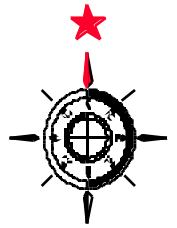- Train to achieve AR

Relationships

- Partner with the Fleet
- Partner with Industry
- Institutionalize IPT's

Processes

- Achieve an integrated design environment
- Use past performance to measure performance risk
- Employ cooperative DON/Industry procurement processes

Acquisition Reform MAP

LEADERSHIP

Decentralize decision authority to place responsibility and accountability at the lowest practicable level.

- Move ACAT III oversight responsibility from ASN(RDA) staff to the Milestone Decision Authorities (MDAs).

- Encourage MDAs to re-delegate Milestone Decision Authority for ACAT IV programs to program managers.

- Delegate ACAT III and IV designation authority to the PEO/SYSCOM/ DRPM level.

- Delegate Acquisition Plan (AP) approval authority to PMs with Milestone Decision Authority.

- Accelerate the maximum agency delegation of information technology procurement authority to Heads of Contracting Activities.

- Encourage risk taking by protecting employees who take prudent risks.
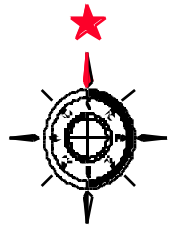
Acquisition Reform MAP

LEADERSHIP
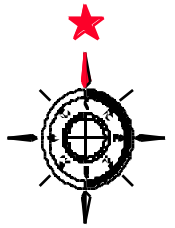
Pursue acquisition program stability.

- Building on the Acquisition Coordination Team concept, establish a framework for re-engineering the interaction among requirements setting, planning and budgeting and acquisition communities.
- Develop rapid reprogramming capability within a program to move funding among RDT&E, procurement, and OM&N accounts when unforeseen changes dictate.
- Investigate establishing a prototype for a 'single program appropriation' with post facto funds usage reporting to Congress.
- Identify the barriers to using multi-year contracting in order to maximize its use.
- Explore root causes of extraordinary change activity and develop a program to minimize impact on program stability.
- Partner with industry to minimize the motivation and opportunity for 'buy-ins' on programs.
- Develop strategies and tactics to enhance program execution flexibility.
- Build partnership with resource sponsors.
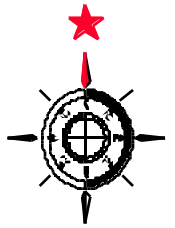
Acquisition Reform MAP

LEADERSHIP

Establish an Acquisition Center of Excellence (ACE) to accelerate the cultural change required to implement Acquisition Reform.

- Design and operate an acquisition management laboratory for assisting program management teams, PEOs, and SYSCOMs to re-engineer their business processes.
- Provide a capability to gather, test, evaluate and adapt world-class practices, technology and leadership skills to the DoN acquisition environment.
- Enable collaborative virtual prototyping and dynamic business modeling of DoN weapons systems acquisition to accelerate technology transition into Fleet products.
- Establish a 'Top Gun' capability for honing key management skills.
- Jump start new projects by providing a 'skunk works' management environment for rapid, innovative program design.
- Create an electronically accessible resource library providing information, knowledge, lessons learned, and state-of-the-art practices to its customers.
- Deploy Program Managers Assistance Group to assist program managers.
- Deploy and apply Integrated Product and Process Development.

Acquisition Reform MAP

LEADERSHIP

Measure the improvements that reform initiatives make to the acquisition system.

- Develop, assess, and track metrics indicative of desired acquisition reform results, with emphasis on overall cost reduction.

- Widely communicate acquisition success stories.

- Measure progress in accomplishing the DoN Cardinal Points.

Acquisition Reform MAP
PEOPLE
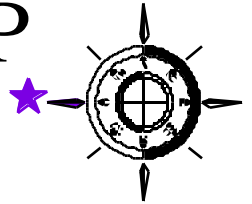
Provide regulatory latitude so our acquisition professionals are empowered to make sound business decisions.

- Replace the Navy Acquisition Procedures Supplement (NAPS) with outcome-based policy and procedures.
- Eliminate the requirement for Requiring Activity Competition Advocates.
- Improve Justification and Approval (J&A) document processing by concurrently developing and staffing them with Acquisition Strategy Reports (ASRs) and increasing use of Class J&As.
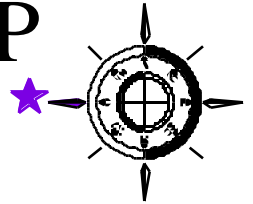
Acquisition Reform MAP
PEOPLE
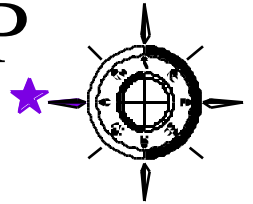
Create incentives for individuals, particularly program managers, to propose improvements and eliminate impediments to the acquisition process.

- Partner with the comptroller and the resource sponsor to enable program managers to retain a portion of program cost savings realized through innovative cost reduction.
- Develop a program that recognizes and rewards individuals, using techniques such as gainsharing and DAWIA special pay authority, who have reduced the total cost of ownership.

12- 1/31/96

Acquisition Reform MAP
PEOPLE

Develop and deploy effective training courses and state-of-the-art techniques to achieve acquisition reform objectives.

- Integrate future Acquisition Reform training needs into DAWIA certification requirements and establish continuing education requirements for level III acquisition personnel.
- Working with National Center for Advanced Technologies (NCAT), develop an Integrated Product and Process Development education and training program for program management teams.
- Create a program to exchange developing leaders with world-class industrial and management organizations.
- Team with non-governmental training entities to develop and offer a curriculum of study on the employment of current DoD Acquisition Reform initiatives to accelerate cultural change.
- Exploit all available media (such as interactive CDs, videos, Internet) to provide rapid broad-based education and training in acquisition reform.
- Use the Acquisition Center of Excellence to train acquisition teams in applying the latest information technology and software tools to solve 'real world' acquisition problems.
- Transfer Acquisition Reform information and knowledge products into the Defense Acquisition University system.

Acquisition Reform MAP
RELATIONSHIPS
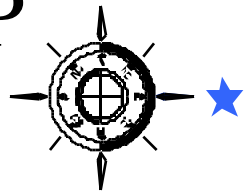
Strengthen the partnership between the acquisition community and the Fleet.

- Communicate key elements of product development to sailors and marines, fostering customer ownership, enhancing operational effectiveness and encouraging customer feedback.
- Bring Fleet users into the design process.
- Partner with CNO and CMC to spread information on the acquisition process into the Fleet.
- Concurrent with developing new products, prepare an 'ownership' video that reaches the product target audience prior to product delivery. Prepare videos on existing systems as soon as practicable.
- Expand the product operating manual to include a section with acquisition information on the product.
- Create a product bulletin (hard and soft format) to accompany product delivery which includes key elements of the product development story.
- Expand and apply the 'helpdesk' concept, inclusive of information on the acquisition process, to as many existing systems as appropriate.

Acquisition Reform MAP
RELATIONSHIPS
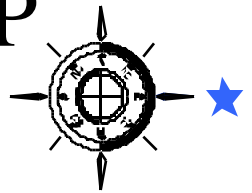
Institutionalize IPTs as a cooperative approach to performance improvement and cultural transformation.

- Empower individuals assigned to IPTs to make decisions and commitments for the organization or the functional area they represent.
- Benchmark industry and government IPT applications.
- Research and apply critical success factors to IPT operations.
- Leverage existing IPT training to develop and implement DoN-wide IPT deployment.
- Apply technology and make information available to facilitate IPT effectiveness.
- Develop a program that recognizes and rewards high performance teams.

Acquisition Reform MAP
RELATIONSHIPS
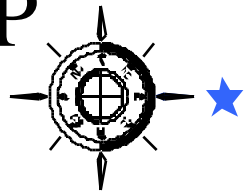
Partner with industry and other external stakeholders to achieve win/win solutions.

- Develop cooperative strategies with industry to accelerate the reform process.

- Work with local communities affected by base closures and realignments to facilitate transition.

- Continue to conduct DoN/CEO Acquisition Reform Conferences.

Acquisition Reform MAP
PROCESSES
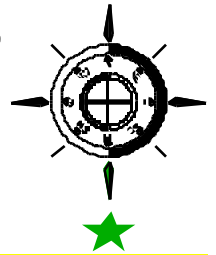
Achieve a radical reduction in the time and cost to develop and deliver complex systems through an integrated design environment for acquisition.

- Extend the application of modeling and simulation technology beyond the assessment and training communities into the scientific, engineering, logistics, and business domains.
- Facilitate continuous cost-performance tradeoffs by modeling processes as well as product characteristics in a virtual environment.
- Accelerate the fielding of automated procurement systems.
- Extend the application of electronic networking as an enabler for improved productivity processes.

Acquisition Reform MAP
PROCESSES
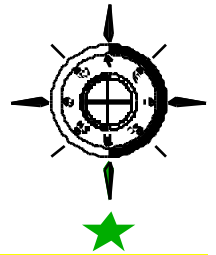
Use past performance in the source selection process as an effective measure of performance risk and a factor in selecting high-quality contractors.

- Explore options for assessing past performance, including other service/ agency and industry processes.

- Develop and publish DoN policy on the use of past performance in source selection.

- Prototype a risk-based integrated assessment of past performance based on contractor process identification, relevance, and capability.

- Establish a contractor designation program linked to past performance assessments and a system of incentives for contractors to achieve such designation.

Acquisition Reform MAP
PROCESSES
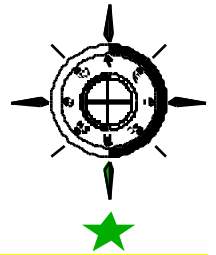
Employ more cooperative and effective DoN/Industry approaches in the procurement process.

- Deploy best solicitation practices identified from RFP benchmarking.
- Expand the use of innovative and efficient proposal strategies such as single integrated (technical, management and cost) proposals, oral proposals and electronic proposals.
- Provide candid debriefings to offerors through identification and deployment of best practices.
- Improve commercial item market research techniques by developing models and capability, including logistics support planning.
- Use 'Other Transaction Authority' for ONR Technology Reinvestment Programs and work to further expand applicability.

Moving Ahead With the
DoN Management Action Plan

Inside the Pentagon's

Inside the Navy

an exclusive weekly report on Navy programs, procurement and policymaking

ASN DOUGLASS DIVVIES DECISION RESPONSIBILITY DOWN THE ACQUISITION CHAIN

The Navy acquisition process is becoming a bit less centralized under a new policy issued by Assistant Secretary of the Navy for Research, Development and Acquisition John Douglass...

Under a new acquisition policy signed by Douglass on Jan. 3, systems command commanders, program executive officers and direct reporting program managers will maintain milestone decision authority for acquisition category III (or ACAT III) programs under their auspices. Oversight for one acquisition category four (ACAT IV) previously held by the Navy's chief acquisition executive has also been relinquished.

The move is in consonance with other Navy efforts to "streamline" acquisitions and program management, a senior Navy official told *Inside the Navy* ...